



**STATE OF CONNECTICUT**  
**DEPARTMENT OF PUBLIC UTILITY CONTROL**

DONALD W. DOWNES  
CHAIRPERSON

**THE ENERGY & TECHNOLOGY COMMITTEE**

**House Bill 6510: AAC ESTABLISHING A PUBLIC POWER AUTHORITY**

**February 24, 2009**

**TESTIMONY OF CHAIRMAN DONALD W. DOWNES**

The Department of Public Utility Control (Department) would like to express its opposition to House Bill No. 6510. House Bill No. 6510 would create a new agency in charge of coordinating the state's electricity needs and conservation efforts. The Department recognizes that regulatory functions have changed dramatically over the past ten years with the entrance of the Independent System Operator (ISO-NE), the emergence of new technologies, and the changing financial climate, these industries and markets are becoming more complex. However, the Department believes it has also been adapting and well equipped to address a variety of ongoing and emerging issues facing energy planning and energy policy in the state.

This proposal seeks to establish yet another agency in state government to assemble resources and a management team to perform many of the same functions and to do substantially what the Department has already spent time, money and training so that its staff could gain expertise in areas of procurement, new technologies, renewables etc. . Therefore, the Department is opposed to adding any additional charges to ratepayers' bills to finance such an entity. Ratepayers have shouldered the brunt of too many projects and plat du jours that have not necessarily been beneficial to ratepayer interest.

The Department also believes that it is problematic for this agency to be charged with the ability of owning and operating electric generation facilities for two reasons. First, the responsibility of owning and operating electric generation facilities is not an insignificant task. This requires substantial knowledge, people and resources to administer, let alone the financial capital and cost associated with this endeavor and whose risk will once again be borne by the ratepayer. Secondly, it is well documented that Connecticut is already well placed to have all the capacity it needs for the next decade or two according to the IRP, LMP, LFRM and FCM. As such, the Department questions the timing of creating more bureaucracy to focus on procuring assets when this challenge has already been met.

Lastly, the Department has serious reservations should this bill pass that players in the market will be willing to contract with what amounts to a paper authority that lacks any real assets. Today's market requires serious financial securities to enter into any contract. To gain control of assets would require upwards of four-five billion dollars which as previously mentioned ratepayers should not be forced to bear.